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| **Procedural Compliance****HOLD****2011 – 15**V1.0 – July 2010 (transferred from excel format) | Description: http://www.homesandcommunities.co.uk/sites/default/files/aboutus/brand/hca_3282_sml_aw.png |
| **For use by ‘Independent Auditors’ undertaking self-assessment compliance audits under the Programme Partnering Agreement (PPA) procedures** |
| The purpose of this checklist is to identify specific checks to be undertaken in order to determine whether all procedural requirements, relevant funding conditions and PPA conditions as set out in the Affordable Housing Capital Funding Guide have been met. |
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| **Audit Year** |       | **Date of audit visit** | Click here to enter a date. |
| **Partnership / offer name** | Enter bothEnter both | **Partnership / offer I.D.** | Enter bothEnter both |
| **Lead Provider name** | Enter both | **Lead Provider HCA registration code** | Enter both |
| **Scheme name and address** |       | **Scheme IMS number** |       |
| **Interim payment event date** | Click here to enter a date.If N/A enter comment - (enter latest interim payment event recorded in IMS or N/A) | **Final cost event date** | Click here to enter a date.If N/A enter comment - (enter latest final cost event recorded in IMS or N/A) |
| **Developing Provider name** |       | **Developing Provider HCA registration code** |       |
| **Tenure of housing** | HOLD | **Development type** | e.g. newbuild, refurbishment etc. |
| **Independent auditor business name** |       | **Full contact details of checklist completer** |        |
| In addressing the checks set out below please answer either 'Yes' or 'No' as appropriate. Where checks are considered not to be applicable to the scheme then a 'No' response should be inserted and justifying comments made. The Comments box should also be used to explain deficiencies or shortfalls in supporting documentation.**The Auditors report should summarise all of the findings and instances where specific checks were considered to be not applicable.** |
| **Item** | **Scheme file documents** | **Y / N** | **Comments** |
| Note | The criteria for HOLD are similar to the NBHB programme and therefore checks should be made against NBHB procedures as required. Additional procedural information on the HOLD programme is available at http://www.homesandcommunities.co.uk/home-ownership-people-long-term-disabilities.htm FAQs |
| 1 | Has the RP maintained a scheme file containing the following documents? | Choose an item. |       |
| 1a | Completed tenant's application form.***Auditor notes****Check that form is valid and duly signed by all applicants* | Choose an item. |       |
| 1b | Evidence of tenant's financial circumstances.***Auditor notes****The financial checks should have been applied to anyone joining in the purchase* | Choose an item. |       |
| 1c | Agent's approval letter in accordance with HCA sample letter. | Choose an item. |       |
| 1d | Evidence of the purchase price.***Auditor notes****Check that a valid valuation certificate from a qualified independent valuer and purchase price completion evidence is on file* | Choose an item. |       |
| 1e | Where the applicant was on the waiting list of either the RP or local authority: evidence that the applicant has been nominated by the local authority. | Choose an item. |       |
| 1f | Evidence of exchange of contracts.***Auditor notes****Check that confirmation of exchange is from the solicitors and relevant to the property* | Choose an item. |       |
| 1g | Copy of the buyer's legal representatives undertaking. | Choose an item. |       |
| 1h | Copy of the charge certificate as evidence the loan has been secured. | Choose an item. |       |
| 1i | Certified copy of Homebuy Mortgage. | Choose an item. |       |
| 1j | Consumer Credit Licence issued by the OFT. (The licence is valid for 5 years from the starting date shown on it). | Choose an item. |       |
| 1k | Direction from the Director General of Fair Trading under Section 60(3) of the Consumer Credit Act. | Choose an item. |       |
| 1l | Copy of NHBC or equivalent insurance (in cases of newly built properties). | Choose an item. |       |
| 1m | Homebuyer's survey and valuation report or equivalent (where the property is not new). | Choose an item. |       |
| **Item** | **Applicant Eligibility** | **Y / N** | **Comments** |
| 2 | Has the RSL carried out a financial assessment of every applicant and are these assessments kept on file for audit purposes? | Choose an item. |       |
| 3 | Participating lenders: Is the lender used by the applicant a 'qualifying lending institution' as listed in CFG procedures? | Choose an item. |       |
| 4 | Are applicants meeting the other applicant eligibility requirements as set out in this section of the HCA procedure guide? (E.g. is the tenant either a RP/LA tenant or on a LA waiting list?) | Choose an item. |       |
| **Item** | **Key Workers – Special Provisions** | **Y / N** | **Comments** |
| 5 | Repayment of equity loan: Are there adequate systems in place to allow for grant recovery? For example, should the occupier leave eligible key worker employment? | Choose an item. |       |
| **Item** | **Property Eligibility** | **Y / N** | **Comments** |
| 6 | Do the homes selected for purchase meet the HCA procedural criteria? | Choose an item. |       |
| 7 | Where the vendor has agreed to carry out works before completion is evidence available to demonstrate that works have been completed to a satisfactory standard, and are acceptable to the mortgage lender | Choose an item. |       |
| **Item** | **Processing the Purchase** | **Y / N** | **Comments** |
| 8 | Does key IMS data match documentary evidence? 1 Purchase price to match letter from applicant's legal representative confirming purchase; 2 Valuation figure to match valuation report; 3 Number of persons in household to match applicant application form; 4 Completion date to match legal correspondence.***Auditor notes****IMS checks: Do any discrepancies indicate that grant was ineligible, overpaid or paid in advance of need?* | Choose an item. |       |
| 9 | Cash back/legal fees: Is there evidence that the vendor offered the buyer cash back or legal fees paid? If so, was the total amount of this discount reflected in the 'purchase price’ in IMS?***Auditor notes****+IMS checks: Check paperwork against data input in screen 'Property Cost & Grant Calculation'* | Choose an item. |       |
| 10 | Mortgage Lenders: Is the lender institution a 'qualifying lender' as outlined in the 'guidance notes for solicitors/legal representatives'? | Choose an item. |       |
| 11 | Additional Conditions: Have all special conditions of Grant Confirmation, shown on IMS been complied with? (If any)***Auditor notes****IMS checks: Check details on the HC Approval screen* | Choose an item. |       |
| **Item** | **Post Sale Procedures** | **Y / N** | **Comments** |
| 12 | Vacant Units Used as Intended: Is there written evidence on file from the LA that a household in priority need nominated from the LA's waiting list has been housed in the vacated property or that the LA was unable to nominate and the RSL has rehoused someone from its waiting list.***Auditor notes****If property still vacant is there any evidence to indicate that grant was paid in advance of need?* | Choose an item. |       |
| 13 | Mortgage default: In the event of a property becoming repossessed by the qualifying lender (which has first charge on the property): Has any balance left after repayment of any outstanding mortgage debt been recovered by the RSL? ***Auditor notes****If not recovered by the RP are there any reasons documented for non-recovery? The total amount recoverable should be equal to the equity loan as a % of the value of the property at the point of repossession but can be less to allow for the lender who has first charge to recover their capital first.* | Choose an item. |       |
| 14 | When property sold on by qualifying applicant or loan repaid during occupation: Is there any evidence that the full loan amount (the relevant % of the value of the property at the date of repayment) has been repaid to the RSL?***Auditor notes****If not repaid to RP are any reasons/documents for non-repayment?* | Choose an item. |       |
| 15 | RCGF: Where repayment applies, is there evidence that the loan repayment amount has been credited to the RCGF fund? ***Auditor notes****Check IMS screen Property & Grant Calculation to compare grant amount approved/paid against amount credited to RCGF account. (The amount should not be greater than the original grant amount paid to the applicant by the RP - the amount credited to RCGF can be less in cases such as a fall in property prices or mortgage default cases).*  | Choose an item. |       |
| **Item** | **Other checks for OMHB GLO (Govt only loan) Programmes** | **Y / N** | **Comments** |
| 16**NO LONGER APPLICABLE** | Has RSL carried out a financial assessment of every applicant and are these assessments kept on file for audit purposes? ***Auditor notes****Check that the qualifying applicants were unable to buy outright without an equity loan from a HomeBuy Agent - check that the equity loan does not exceed 25% of the property value - check that the equity loan is from a HomeBuy Agent* | Choose an item. |       |
| 17 | Is the equity loan amount within the £50 000 cap?***Auditor notes****If the cap has been exceeded ensure there is evidence on file that this was due to exceptional circumstances* | Choose an item. |       |
| 18 | Qualifying Lender: is the lender as defined by the Social Landlords (Additional Purposes or Objects) (Amendment) (England) Order 2005 (SI No.2005/2863)? | Choose an item. |       |
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| **Independent Auditor (IA) signature** | Checklist completer | **Date** | Click here to enter a date. |
| **IA in charge** | Authorised signatory | **Date** | Click here to enter a date. |